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RUEHCV/AMEMBASSY CARACAS 0204  
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RUEHLP/AMEMBASSY LA PAZ MAR PARAMARIBO 0147  
RUEHQT/AMEMBASSY QUITO 1049  
RUEHSG/AMEMBASSY SANTIAGO 1142  
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BRASILIA FOR ESTH HUB - JSTORY  
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SUBJECT: CODEL NELSON VISITS PERU COCA DEFORESTATION SITE

¶1. (U) SUMMARY: On February 22, Senator Bill Nelson visited Peru's high jungle city of Tarapoto to view woodlands deforested by coca cultivation and traditional agricultural pressures. Accompanied by Emboffs, CODEL Nelson also visited sites of USG efforts to provide alternatives to coca and slash-and-burn agriculture: a USAID-supported indigenous coffee cooperative and the government-supported Tropical Crop Institute. Regional authorities are also working to promote reforestation. END SUMMARY.

¶2. Senator Bill Nelson (D, FL) visited Peru February 21-23, accompanied by staff members. He visited Lima, where he received a country team briefing and met with President Garcia (Septel). Accompanied by State and USAID officers, the delegation spent the rest of the trip in the high jungle city of Tarapoto, in Peru's northeast, viewing woodlands deforested by coca cultivation and traditional agricultural pressures.

#### BACKGROUND - DEFORESTATION IN PERU AND TARAPOTO

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¶3. Over half of Peru, around 69 million hectares (ha) is forested, of which 89% is primary forest, among the most biodiverse in the world. From 1990 through 2005, Peru lost 2% of its forests (1.4 million ha). The Department (or Region) of San Martin, of which Tarapoto is the principal economic center, has the highest deforestation rate in Peru. In addition to being one of the largest producers of illicit coca, San Martin exports the most wood products. Other human deforestation pressures include agriculture (60% of the economic activity) and livestock ranching.

¶4. Climate and topography combine to exacerbate deforestation in San Martin. The terrain in this "high jungle" is steep. An intense rainy season creates landslides that occur more readily in eroded hills that have been deforested. The recurrent "El Nino" weather phenomenon makes for even heavier rains and landslides every few years; Peru is currently experiencing a mild El Nino this year,

which paradoxically also produces less rain in some areas. Finally, glacier melting is producing heavier river flows which also accelerate riparian deforestation.

DRAMATIC OVERFLIGHT

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¶5. Following a State/USAID briefing on deforestation in Peru, Senator Nelson's hour and a half overflight surveyed from a low altitude the mountainous terrain along the Moyo and Huallaga rivers. This area was in a dry spell with parched land. Upon landing, the delegation was able to see up close land that had been logged, burned and planted. USG-financed Peruvian eradicators had successfully cleared this area, and no coca plants were visible. From the air, the land appeared as a patchwork of dry, burned and cultivated fields, in stark contrast to the unbroken natural forest cover of the nearby Cordillera Azul mountain range.

#### TROPICAL CROP INSTITUTE SHOWS ALTERNATIVES

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¶6. In order to examine alternatives to the coca cultivation that leads to deforestation. CODEL Nelson visited the Tropical Crop Institute (ICT), a not-for-profit agricultural lab funded by State's Bureau of International Crime and Law Enforcement. The ICT demonstrated coffee plant grafting by former coca-growers, and accompanied the CODEL on a walking tour of the many species being bred to subsist in the various unique conditions of the high jungle microclimates. Research done at the ICT is used to demonstrate to farmers how to grow productive crops in the lowlands and not deforest the hills where people grow coca.

#### ALTERNATIVES: VISIT TO COFFEE COOPERATIVE

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¶7. CODEL Nelson saw the marketing end of alternatives to deforestation, a coffee cooperative in the indigenous community of Lamas in the hills above Tarapoto. The Oro Verde coffee cooperative has been supported by USAID as a way to help families, particularly women that run households, to market licit alternatives to coca. The cooperative, a joint effort by over 200 families in the region, is currently exporting coffee and cacao products to the United States and Europe.

#### COMMENT

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¶8. Deforestation is a significant problem in Peru, and the GOP, the USG, many NGO's and other donor nations are working to control it. Observers have noted that President Garcia's "Sustainable Forest" program announced during his election campaign has hardly materialized, but many in his party have told us that his first priority was always his "Highland Exporter" program to develop the economy of the high mountains. During the past three months the GOP has been restructuring INRENA, the agency responsible for natural resources management, with emphasis on decentralization. On the night that CODEL Nelson arrived, Garcia announced the GOP's intention to reforest 500,000 ha by 2011. The new regional president of San Martin intends to conduct the pilot for this effort. USAID has been requested to be a lead technical agent in this effort, although declining USAID budgets make this problematic.

¶9. Senator Nelson's staff cleared on this cable.  
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